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November 18, 2016

Ex Parte Notice

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Connect America Fund, WC Docket No. 10-90;
Universal Service Reform – Mobility Fund, WT Docket No. 10-208

Dear Ms. Dortch,

On November 17, 2016, Alaska State Representative David Guttenberg, Mary J. Pavel, Sonosky, Chambers, Sachse, Endreson and Perry, and I met with Lyle S. Ishida, Acting Chief, Office of Native Affairs and Policy, Elizabeth Yockus Mumaw, Chief, Office of Intergovernmental Affairs, Emmitt H. Carlton, Jr. Special Counsel, Office of Intergovernmental Affairs, Alex Minard, Deputy Division Chief, Telecommunications Access Policy Division, Wireline Competition Bureau and Peter Trachtenberg, Deputy Chief, Competition and Infrastructure Policy Division, Wireless Telecommunications Bureau. This letter summarizes the conversation regarding opportunities for improving broadband service for Alaska consumers.

Rep. Guttenberg discussed House Bill No. 346 which he had introduced in the Alaska State Legislature on February 24, 2016, “An Act creating the Broadband Development Corporation; and establishing the Alaska Broadband Task Force.” Rep. Guttenberg discussed his concerns that, even with the universal service funding that the FCC has now allocated to Alaska under the Alaska Plan, consumers will still not have adequate broadband service available at sufficient speeds. He noted the critical importance of developing middle mile infrastructure in the State to be able to deliver high speed broadband at reasonable prices to consumers in rural areas and remote villages. Rep. Guttenberg asked for feedback on any changes the FCC would recommend to his bill, to ensure that a state entity formed to develop, deploy and operate middle mile facilities would be able to receive federal universal service funding if any became available in the future. Ms. Pavel, who represents the Tanana Chiefs Conference, also stressed the importance of setting higher speed and service availability goals for local companies delivering broadband to rural areas under the

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universal service program, to ensure funds were directed to serve the highest interests of consumers.

Please direct any questions concerning this meeting to me.

Regards,

A handwritten signature in dark ink, appearing to read "Elisabeth H. Ross". The signature is written in a cursive, flowing style.

Elisabeth H. Ross

Attachment: House Bill No. 346

Cc: Lyle Ishida
Elizabeth Mumaw
Emmit Carlton
Alex Minard
Peter Trachtenberg

HOUSE BILL NO. 346

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES GUTTENBERG, Tuck, Drummond

Introduced: 2/24/16

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act creating the Broadband Development Corporation; and establishing the Alaska**
2 **Broadband Task Force."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** The uncoded law of the State of Alaska is amended by adding a new section
5 to read:

6 LEGISLATIVE FINDINGS. The legislature finds that

7 (1) many communities in the state have limited access to the Internet;

8 (2) although the state is connected to the rest of the world through several
9 fiber optic cables, many areas in the state are unable to take advantage of the speed and
10 capacity the fiber optic cables offer;

11 (3) removing barriers to broadband deployment by using a technology-neutral
12 approach will encourage lower prices for broadband service and offer more choices to
13 consumers;

14 (4) the deployment of broadband networking and advanced

telecommunications services throughout the state is essential for the state to keep pace with global changes in economic diversification, education, health care, energy and environmental technology, and public safety;

(5) action promoting neutral access is necessary to support investment in and development of accessible broadband networks in the state.

* **Sec. 2.** AS 44.33 is amended by adding new sections to read:

Article 15A. Broadband Development Corporation and Alaska Broadband Taskforce and Working Group.

Sec. 44.33.925. Broadband Development Corporation established. The Broadband Development Corporation is established for the purpose of facilitating, upgrading, planning, financing, installing, owning, operating, and promoting effective use of a broadband system throughout the state. The corporation is a public corporation of the state. It is an instrumentality of the state in the Department of Commerce, Community, and Economic Development, but has a legal existence independent of and separate from the state.

Sec. 44.33.930. Board of directors. (a) The governing body of the corporation is a board of directors. The board consists of 11 persons, as follows:

(1) nine voting members, appointed by the governor as follows:

(A) one member who is a representative of the executive branch;

(B) one member who has expertise in technology;

(C) one member who has expertise or experience in developing broadband access in rural areas;

(D) one member who is a representative of public broadcasting;

(E) one public member;

(F) one member who has expertise in broadband technologies;

(G) the commissioner of commerce, community, and economic development;

(H) two members who have expertise in the operation and the business of operating a broadband network;

(2) two nonvoting members, as follows:

1 (A) a member of the house of representatives appointed by the
2 speaker of the house of representatives and who serves at the pleasure of the
3 speaker of the house of representatives; and

4 (B) a member of the senate appointed by the president of the
5 senate and who serves at the pleasure of the president of the senate.

6 (b) A member of the board may not, during the member's term, be employed
7 by an entity that purchases at wholesale a services that uses the broadband system
8 facilitated, upgraded, planned, financed, installed, owned, operated, or promoted by
9 the corporation. Except for the legislative members of the board appointed under
10 AS 44.33.930(a)(2), two members of the board may not be employed by the same
11 entity.

12 (c) The board shall annually elect a chair and other necessary officers from
13 among its members.

14 (d) The members of the board appointed by the governor under (a)(1) of this
15 section serve three-year terms and may be reappointed. Terms shall be staggered.

16 (e) The members of the board appointed by the governor under (a)(1) of this
17 section serve at the pleasure of the governor. A vacancy on the board occurring other
18 than by expiration of a term shall be filled in the same manner as the original
19 appointment, but for the unexpired term only.

20 (f) Six voting members of the board appointed under this section constitute a
21 quorum for the transaction of business and the exercise of the powers and duties of the
22 board.

23 (g) Board members do not receive a salary, but are entitled to per diem and
24 travel expenses authorized by law for other state boards and commissions under
25 AS 39.20.180.

26 (h) The board shall meet at least four times a year. A meeting of the board
27 shall occur at the call of the chair, or upon the written request of two voting members
28 of the board, and shall be open to the public.

29 **Sec. 44.33.933. Employment of personnel.** The board may employ and
30 determine the salary of an executive director. The executive director may, with the
31 approval of the board, select and employ additional staff as necessary. The executive

1 director and employees of the board are in the exempt service under AS 39.25. An
 2 employee of the board may not, during the employee's employment by the board, be
 3 employed by an entity that purchases at wholesale a service that uses the broadband
 4 system facilitated, upgraded, planned, financed, installed, owned, operated, or
 5 promoted by the corporation.

6 **Sec. 44.33.935. Powers and duties of the board.** In carrying out the powers
 7 of the corporation, the board may

- 8 (1) adopt, alter, and use a corporate seal;
- 9 (2) prescribe, adopt, amend, and repeal bylaws;
- 10 (3) sue and be sued in the name of the corporation;
- 11 (4) enter into any agreements necessary to exercise its powers and
 12 functions;
- 13 (5) cooperate with a public or private board, organization, or agency
 14 engaged in work or activities similar to the work or activities of the corporation;
- 15 (6) receive contributions of money from persons, including agencies or
 16 instrumentalities of federal, state, or local governments;
- 17 (7) establish offices in the state and otherwise incur expenses
 18 incidental to the performance of its duties;
- 19 (8) acquire, hold, lease, sell, or otherwise dispose of property
 20 necessary to facilitate, upgrade, plan, finance, install, own, operate, or promote a
 21 broadband system or necessary for the administrative functioning of the office of the
 22 corporation;
- 23 (9) establish and maintain one or more bank accounts for the
 24 transaction of the corporation's business.

25 **Sec. 44.33.937. Executive Budget Act.** The operating budget of the
 26 corporation shall be prepared and submitted in accordance with AS 37.07 (Executive
 27 Budget Act).

28 **Sec. 44.33.939. Duties of the corporation.** (a) The corporation shall sell
 29 middle mile transport services on a broadband system it facilitates, upgrades, plans,
 30 finances, installs, owns, operates, or promotes to retail service providers

- 31 (1) at a wholesale price; and

(2) with just, reasonable, and nondiscriminatory rates, terms, and conditions.

(b) The corporation may not allow an entity, together with its affiliates, to lease, purchase, or control

(1) more than one-third of the total capacity on a middle mile route on a broadband system facilitated, upgraded, planned, financed, installed, owned, operated, upgraded, or promoted by the corporation; or

(2) more than one half of the capacity available on a broadband system facilitated, planned, financed, installed, owned, operated, or promoted by the corporation.

(c) The corporation shall, if possible, comply with the necessary federal regulations to be able to receive money from a universal services fund established to achieve the principles set out in 47 U.S.C. 254.

Sec. 44.33.940. Alaska Broadband Task Force and Working Group. (a)

The Alaska Broadband Task Force is established in the Department of Commerce, Community, and Economic Development. The task force consists of nine members appointed by the governor, as follows:

(1) four representatives of state, municipal, or other local government agencies responsible for information technology, economic development, infrastructure development, and public utility regulation;

(2) five representatives of technology, telecommunications, and investment businesses doing business in the state.

(b) The task force established under (a) of this section

(1) may begin work immediately after a majority of the membership is appointed;

(2) shall

(A) determine the current level of broadband access in the urban and rural areas of the state;

(B) determine an acceptable level of broadband service throughout the state;

(C) determine the means for increasing the level of service,

1 including regulatory changes and investment incentives for areas that are
2 below the acceptable level determined in (B) of this paragraph;

3 (D) explore the potential for increased use of high-speed
4 broadband service for the purposes of education and health care delivery and
5 other private and governmental uses;

6 (E) solicit suggestions from persons engaged in the
7 development of broadband infrastructure and operation of high-speed
8 broadband services for expanding the availability of broadband service in the
9 state;

10 (F) study all means for delivering high-speed broadband
11 service;

12 (G) establish best practices to establish and maintain a database
13 that lists current broadband service providers and where each operates, projects
14 that are currently being developed, and projects that are in the planning and
15 predevelopment stage;

16 (H) explore ways for encouraging state and municipal agencies
17 to expand the development and use of high-speed broadband services,
18 including audio and video streaming, voice-over Internet protocol,
19 teleconferencing, and wireless networking;

20 (I) deliver a report of the initial findings and recommendations
21 for expanding access to high-speed broadband services throughout the state to
22 the senate secretary and the chief clerk of the house of representatives and
23 notify the legislature that the report is available before December 31, 2017;

24 (J) submit a final report of findings and recommendations for
25 expanding access to high-speed broadband services throughout the state to the
26 senate secretary and the chief clerk of the house of representatives and notify
27 the legislature that the report is available before February 1, 2018.

28 (c) Members of the task force shall select a chair and vice-chair.
29 Administrative support for the task force shall be provided by staff designated jointly
30 by the president of the senate and the speaker of the house of representatives.

31 (d) A vacancy on the task force or working group shall be filled in the same

manner as the original appointment under (a)(1) and (2) and (e)(1) - (8) of this section.

(e) The task force shall have a public finance working group directed to develop a finance plan, including service charges or state or federal funding, sufficient to implement the recommendations of the Alaska Broadband Task Force. The working group consists of

(1) the commissioner of commerce, community, and economic development;

(2) one member who represents the private banking industry, appointed by the chair of the working group;

(3) one member who represents the investment banking industry, appointed by the chair of the working group;

(4) one member who represents the University of Alaska and has experience in broadband financing, appointed by the chair of the working group;

(5) one member who represents the Regulatory Commission of Alaska, appointed by the chair of the working group;

(6) one member who represents the executive branch, appointed by the chair of the working group;

(7) one member who represents the senate, appointed by the president of the senate;

(8) one member who represents the house of representatives, appointed by the speaker of the house of representatives.

(f) The public finance working group shall

(1) be chaired by the member who represents the executive branch;

(2) hold a meeting at least once a year that is open to the public; and

(3) submit a final report of findings and recommendations to the task force before January 3, 2017.

(g) A member of the task force or working group who is not a full-time employee of the state or a municipality is entitled to per diem and travel expenses authorized for boards and commissions under AS 39.20.180.

Sec. 44.33.945. Definitions. In AS 44.33.925 - 44.33.945,

(1) "board" means the board of the Broadband Development

- 1 Corporation;
- 2 (2) "corporation" means the Broadband Development Corporation.